



**MEMORANDUM**  
9 JULY 2004

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TO: BOARD OF DIRECTORS

FROM: DAVID MERRITT

RE: RUEDI RESERVOIR AND FRYING PAN RIVER ISSUES

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We have applied to purchase 5,000 acre feet of this supply, and are expecting the contract to be available by the Board meeting. This will cost approximately \$350,000/year until the year 2019, when we will have paid the capital component off, and will be only obligated for Operation, Maintenance & Replacement (OM&R) costs. While this is indeed a significant investment, it positions the Water Marketing program of the River District very well to deal adequately with future West Slope water demands. The supplies provided by this water repayment contract, in conjunction with our current Wolford and Eagle River supplies, will allow us to address much of the demands projected in the middle Colorado River Basin over the next 20 years, as well as have the flexibility to respond to drought events that may recur.

The news on the Frying Pan this year is similar to the other basins; while Ruedi Reservoir nearly filled last year, getting to a storage level of over 97,000 acre feet (capacity is 102,000 acre feet), it has only recovered to 92,000 acre feet do date. With the forecast at only 57% of average, and inflow declining rapidly, it is not expected to gain much more storage. Last year, it provided nearly all of the 20,825 acre feet of water committed to the Recovery program, but it is expected to provide less this year. Reclamation is currently planning on not making available the second 5,000 acre feet from the Round I contract, thus providing only 15,825 acre feet this year. It is predicated upon the action which Reclamation had to take last year, reducing the winter base flow from 85 cfs to 40 cfs in March, in effort to conserve storage. Approximately 10,000 acre feet was used this past winter in maintaining an optimum winter flow, as compared to meeting the ISF of 40 cfs or inflow.

This is largely the result of the USBR agreeing to consider the findings of both the Economic Study and the Fishery Study in future operational changes. These studies were the results of collaborative efforts among the Roaring Fork Conservancy, the River District, the Ruedi Water and

Power Authority, and the Homestake Partners, and were coordinated by the Roaring Fork Conservancy and will continue into the future. As we move toward 2019, a date by which Ruedi Reservoir must be repaid, we need to be able to articulate how we wish to see Ruedi operated in the future, and how we will secure repayment to the Federal Government for the Reservoir.

Reclamation was concerned earlier this spring over Ruedi operations this year. With the Shoshone Power Plant and Power Call off, the impacts of a Cameo Call could have rebounded up the Roaring Fork River, and impact the Frying Pan-Arkansas Project. However, if this happens, it will not be until about the 12<sup>th</sup> of July, and will have little impact on either Ruedi or Fry-Ark.